
Miscellaneous Campus-Based Publications



Dear Colleague Letter GEN-16-05 Extension of the Federal Perkins Loan Program

Publication Date: February 17, 2016

DCL ID: GEN-16-05

Subject: Extension of the Federal Perkins Loan Program

Summary: This letter provides information on the wind-down of the Federal Perkins Loan Program and schools' limited authority to continue to make loans to certain students beyond September 30, 2015.

Dear Colleague,

This Dear Colleague Letter (DCL) notifies schools that the Federal Perkins Loan Program Extension Act of 2015 (the Extension Act), enacted on December 18, 2015, extends the Perkins Loan Program through September 30, 2017. This DCL supersedes DCL GEN-15-03.

AUTHORITY TO MAKE LOANS

In general, the Extension Act eliminates the Perkins Loan grandfathering provisions that the Department provided guidance on in DCL GEN-15-03. The Extension Act establishes new eligibility requirements for undergraduate and graduate students to receive Perkins Loans. The grandfathering guidance is no longer applicable to the Perkins Loan Program.

Per the changes in the Extension Act, effective December 18, 2015, schools participating in the Perkins Loan Program may make Perkins Loans as specified below:

Undergraduate Students

A school may make Perkins Loans through—	To an—	Who, on the date of disbursement—	If the school has awarded the student—
September 30, 2017	Eligible current undergraduate student	Has an outstanding balance on a Perkins Loan made by the school.	All Direct Subsidized Stafford Loan aid for which the student is eligible.
September 30, 2017	Eligible new undergraduate student	Does not have an outstanding balance on a Perkins Loan made by the school.	All Direct Subsidized and Unsubsidized Stafford Loan aid for which the student is eligible.

Notes:

Awarding Direct Subsidized and Unsubsidized Stafford Loans - An undergraduate student who was awarded a Direct Subsidized Loan and/or a Direct Unsubsidized Loan can decline one or both of the loans (or request a lesser amount). However, the student's Direct Loan eligibility amounts must be included in the calculation of the undergraduate student's Perkins Loan amount, regardless of whether they actually borrow that full amount.

Perkins Loans That Have Been Consolidated - When a Perkins Loan is consolidated it is paid in full by the Consolidation Loan. An undergraduate student who has consolidated his or her Perkins Loans does not have an outstanding balance on a Perkins Loan, and is therefore treated as a new undergraduate student.

Subsequent Disbursements for Undergraduate Students - If an eligible undergraduate student borrower receives a disbursement of a Perkins Loan after June 30, 2017, and before October 1, 2017 for the 2017-2018 award year the student may receive any subsequent disbursements of that Perkins Loan.



Graduate Students

A school may continue to make Perkins Loans through—	To an—	If the graduate student—	And the new Perkins Loan will—
September 30, 2016	Eligible graduate student who has received a Perkins Loan before October 1, 2015.	Received his or her most recent Perkins Loan from the school, for enrollment in an academic program at the school.	Enable the graduate student to continue or complete the academic program for which the student received his or her most recent Perkins Loan.

Notes:



Subsequent Disbursements for Graduate Students - If an eligible graduate student borrower receives a disbursement of a Perkins Loan after June 30, 2016, and before October 1, 2016, for the 2016–2017 award year, the student may receive any subsequent disbursements of that Perkins Loan.

Graduate Students Continuing or Completing an Academic Program - We consider a graduate student to be continuing or completing the academic program for which the student received his or her most recent Perkins Loan only if the first four digits of the program's Classification of Instructional Program (CIP) code are identical to the first four digits of the CIP code for the academic program for which the student received his or her most recent Perkins Loan.

In the case of graduate programs with different degree objectives, a graduate student meets the eligibility requirement above if the graduate student:

- Received his or her most recent Perkins Loan for enrollment in a program with one degree objective (e.g., masters);
- Then enrolled in a program with the same CIP code (the same first four digits of the CIP code);
- Even if the new program leads to a different degree objective (e.g., Ph.D.).

ADDITIONAL DISCLOSURES

In addition to the disclosures required under 34 CFR 674.16, under the Extension Act, a school must provide the following disclosures to each Perkins Loan borrower before it makes a first disbursement of a Perkins Loan:

- A notice and explanation regarding the end to future availability of Perkins Loan Program loans;
- A notice and explanation that repayment and forgiveness benefits available to Direct Loan borrowers are not available to Perkins Loan borrowers;
- A notice and explanation regarding the borrower's option to consolidate a Perkins Loan into a Direct Consolidation Loan, including any benefit of consolidation;
- *For current undergraduate borrowers* (as described above), a notice and explanation providing a comparison of the interest rates of Perkins Loans and Direct Loans, and informing the borrower that the borrower has reached the maximum annual borrowing limit for Direct Subsidized Stafford Loans for which the borrower is eligible; and
- *For new undergraduate borrowers* (as described above), a notice and explanation providing a comparison of the interest rates of Perkins Loans and Direct Loans, and informing the borrower that the borrower has reached the maximum annual borrowing limit for Direct Subsidized and Unsubsidized Stafford Loans for which the borrower is eligible.

NO ADDITIONAL EXTENSIONS

The Federal Perkins Loan Extension Act prohibits any further extensions of the Perkins Loan Program under section 422(a) of the General Education Provisions Act (GEPA). Schools may not make Perkins Loans to any student on or after October 1, 2017. However, as noted above, subsequent disbursements of a loan first disbursed to an eligible undergraduate after June 30, 2017, and before October 1, 2017, are allowed.

Distribution of Assets From The Federal Perkins Loan Fund

There are additional provisions of the Federal Perkins Loan Extension Act with regard to the disposition of schools' Perkins Loan Revolving Funds. We plan to provide information on these and other important Perkins Loan Program issues over the next several months.

If you have questions about this letter, or additional questions about the extension of the Federal Perkins Loan Program, please contact Brian Smith at (202) 502-7551.

Sincerely,

Lynn B. Mahaffie
Deputy Assistant Secretary for Policy, Planning, and Innovation
Delegated the Duties of Assistant Secretary for Postsecondary Education

Electronic Announcement

Perkins Loan Assignment System - System Availability and User Access Process

Publication Date: September 21, 2015

Author: Sue O'Flaherty, Service Director, Program Management, Federal Student Aid

Subject: Perkins Loan Assignment System - System Availability and User Access Process

In an April 22, 2015 Electronic Announcement, we provided information about a new system that would provide functionality for schools to electronically submit Federal Perkins Loan (Perkins Loan) assignment information to the Department of Education (the Department). We are pleased to announce that the Perkins Loan Assignment System (PLAS) is now available at **<https://efpls.com>**.

With PLAS, users can complete a Web-based Perkins Loan Assignment Form and upload supporting documentation as file attachments. Authenticated users can

- Submit multiple loans as a "batch file" or submit individual loans;
- Securely upload supporting documentation;
- Search, view, and edit submitted loan assignment information; and
- View reports of Perkins Loans that have been accepted or rejected for assignment.

Important Reminders

If a school chooses to use PLAS for assignment processing, users must request access to the system. In the attachment below, we provide an overview of the user access process. The PLAS User Access Form and instructions for completing it are available on the Web site at <https://efpls.com>.

A PLAS User Guide is also available on the Web site at <https://efpls.com>. The PLAS User Guide provides detailed instructions for using PLAS, including entering loan assignment data via data entry or a batch file, uploading supporting documentation electronically, and accessing reports.

Promissory notes may be uploaded electronically; however, all hard-copy original or certified-copy promissory notes are still required to be mailed in as well. For further information and more detailed information about Perkins Loan assignments, schools can refer to the Perkins Loan Assignment Procedures posted on the Campus-Based Processing Information page on the IFAP Web site.

Contact Information

For questions about PLAS or the electronic assignment process, contact the ECSI Perkins Loan Servicer at 844-301-2620. Customer service representatives are available Monday through Friday from 8:00 a.m. until 5:00 p.m. (ET).

For questions about Campus-Based processing, contact the Campus-Based Call Center at 877-801-7168. Customer service representatives are available Monday through Friday from 8:00 a.m. until 8:00 p.m. (ET). You may also email CBFOB@ed.gov.

Attachments/Enclosures:

Perkins Loan Assignment System User Access Process in PDF Format is on the pages that follow.

Perkins Loan Assignment System User Access Process Attachment to September 2015 Electronic Announcement

In this document, we provide information about user access for the Perkins Loan Assignment System (PLAS). We cover the information in the following order

- PLAS Overview
- PLAS User Access Form
- Two-Factor Authentication
- Contact Information

PLAS Overview

The Perkins Loan Assignment System (PLAS) will provide schools the ability to electronically submit Federal Perkins Loan (Perkins Loan) assignment information to the Department of Education (the Department). With the electronic Perkins Loan assignment process, authenticated users will complete the Perkins Loan Assignment Form online using PLAS.

PLAS User Access Form

Your school must complete a paper PLAS User Access Form to gain access to PLAS. Electronic enrollment is not available.

To complete a paper PLAS User Access Form use the links found on <https://efpls.com>.

- **PLAS Institution Administrator (Required):** Your school is required to identify a PLAS Institution Administrator. He or she will then be responsible for managing PLAS access for other individual institution users. PLAS Institution Administrators will also be able to enter and submit loan assignments, upload supporting documentation, and retrieve and review reports.
- **Institution User:** An institution may have as many Institution Users as needed. These users will be able to enter and submit assignments, upload supporting documentation, and retrieve and review reports.

The PLAS User Access Form will also be used by the PLAS Institution Administrator to modify or terminate access for an existing PLAS user.

- **Modify User Access:** When a PLAS user's demographic information changes, the PLAS Administrator should submit a PLAS User Access Form to indicate the reason for the change on the form.
- **Terminate User Access:** When a PLAS user should no longer have access to the system, the PLAS Administrator must immediately submit a PLAS User Access Form to indicate the user's access should be terminated.

Submitting PLAS User Access Forms

For the quickest processing, completed PLAS User Access Forms should be e-mailed to **PLASAccess@efpls.com**.

Alternatively, forms can be mailed to

**ECSI Federal Perkins Loan Servicer
Attn.: PLAS Access Requests
181 Montour Run Road
Coraopolis, PA 15108**

Before returning the forms, confirm the following:

- ✓ The President/CEO/Chancellor or Designee (referred to as the Authorizing Official) name and signature match the information on file with the Department.
- ✓ All signatures are original. Signatures are not photocopied or stamped.

Once the submitted PLAS User Access Form is processed, the user will receive two separate emails, one with a Login ID and one with a temporary password. The temporary password will need to be changed the first time the user signs in to PLAS.

Two Factor Authentication

Similar to the security process used to access Federal Student Aid systems, such as the eCampus-Based (eCB) System, authorized users of PLAS will be required to enter two forms of “authentication” to access the system.

This security process is an established technology referred to as Two Factor Authentication (TFA). TFA will require each authorized user to log in to PLAS with his or her Login ID and password as well as a Security Code generated by a registered TFA token.

If a user already has a TFA token because he or she also has access to one of Federal Student Aid’s systems, the user only needs to complete the PLAS User Access Form.

If a user does not have a TFA token, the user should contact the school’s Primary Destination Point Administrator (DPA) for Federal Student Aid systems to obtain one. Once the token is received, it will need to be registered. In addition, the user will need to complete the PLAS User Access Form. Note: The school’s Primary DPA for Federal Student Aid systems is not required to be the same person as the school’s designated Institution Administrator for PLAS.

If a school’s Primary DPA has questions related to TFA tokens, contact the TFA Support Center at 800/330-5947, option 2 or by e-mail at **TFASupport@ed.gov**.

Contact Information

If you need assistance completing the PLAS User Access Form, contact ECSI Federal Perkins Loan Servicer at 844/301-2620. Customer Service Representatives are available Monday through Friday from 8:00 A.M. until 5:00 P.M. (ET).